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**Analysis of Enrolled Senate Bill 1107**

**Topic:** County Road Commissions and the Land Division Act  
**Sponsor:** Senator Birkholz  
**Co-Sponsors:** None  
**Committee:** Senate Natural Resources & Environmental Affairs  
House Natural Resources, Great Lakes, Land Use & Environment  
**Date Introduced:** March 2, 2006

**Date Enrolled:**

**Date of Analysis:** July 5, 2006

**Position:** The Department of Labor & Economic Growth supports the bill.

**Problem/Background:** The Legislature has made efforts going back several years to address problems regarding deposit/surety provisions in the Land Division Act to ensure installation of required improvements by the developer. Public Act 122 of 2004 was the most recent amendment to this section of the act and was intended to prevent delays in plat review and approval by requiring county road commissions to accept surety bonds for unfinished improvements. Some county road commissions believe that this language is ambiguous and have reportedly declined to accept surety bonds.

It has also been reported that some county road commissions have been preemptively rejecting cul-de-sacs in project plans. A cul-de-sac is a dead end street with a single inlet/outlet and a turnaround at its closed end. Such streets are frequently used in suburban areas to limit through-traffic in residential areas. A recent *Wall Street Journal* article notes that an increasing number of political subdivisions are passing laws to limit cul-de-sacs ("*The Suburbs Under Siege*", *Wall Street Journal*, June 2, 2006). Local officials in these communities tend to believe that the privacy and quiet offered by such streets is offset by congestion on nearby roads.

**Description of Bill:** The bill amends Section 183 of the Land Division Act to require county road commission approval of the final plat even if all requirement improvements have not been installed, provided the plat meets the other requirements of the act and the proprietor posts a deposit. The amount of the deposit would be determined by the commission board. Regardless of the deposit amount, the actual cost to complete all improvements rests with the proprietor or its surety agent. The bill requires the deposit to be in the form of cash, a certified check, an irrevocable letter of credit, or a surety bond. A surety bond is required to be pre-qualified by the State Transportation Department and must be acceptable to the commission board.

The bill further provides that the board of the county road commission may regulate cul-de-sacs and may approve or deny them on an individual basis, but may not adopt a policy or rule prohibiting them.

### **Summary of Arguments**

**Pro:** This bill will provide the clarification needed to get all 83 county road commissions on the same page with respect to accepting surety bonds.

Although the evidence suggests that cul-de-sacs have unfortunate traffic consequences, there are cases, based on geographic considerations or the configuration of the property, where cul-de-sacs make sense. Unlike in the original bill, a county road commission may prohibit cul-de-sacs on an individual basis.

The enrolled bill also addresses a significant flaw in the Senate-passed bill that would have allowed for the isolation of lands from public road or easement access as otherwise required by the act.

**Con:** If some county road commissions have adopted a policy prohibiting cul-de-sacs that should be regarded as evidence of their progressive thinking rather than a reason for preemptive legislative action. The evidence suggests that cul-de-sacs create significant traffic problems and result in over-utilization of automobiles to get around in the community.

### **Fiscal/Economic Impact**

#### **(a) Department**

**Budgetary:** The bill will have no budgetary impact on the department.

**Revenue:** The bill generates no revenue.

**Comments:**

#### **(b) State**

**Budgetary:** The bill will have no budgetary impact on state government.

**Revenue:** The bill generates no revenue.

**Comments:**

#### **(c) Local Government**

**Comments:** The bill affects county road commissions.

**Other State Departments:** The Department of Transportation would have a role in the prequalification of surety bonds.

**Any Other Pertinent Information:** The County Road Association of Michigan reported at the Senate hearing that they were neutral based on provisions in the substitute ultimately approved by the Senate. The House-passed bill contains the surety language from the Senate version, but deletes language relating to access that CRAM may have also wanted.

**Administrative Rules Impact:** No new or revised administrative rules will be required.